

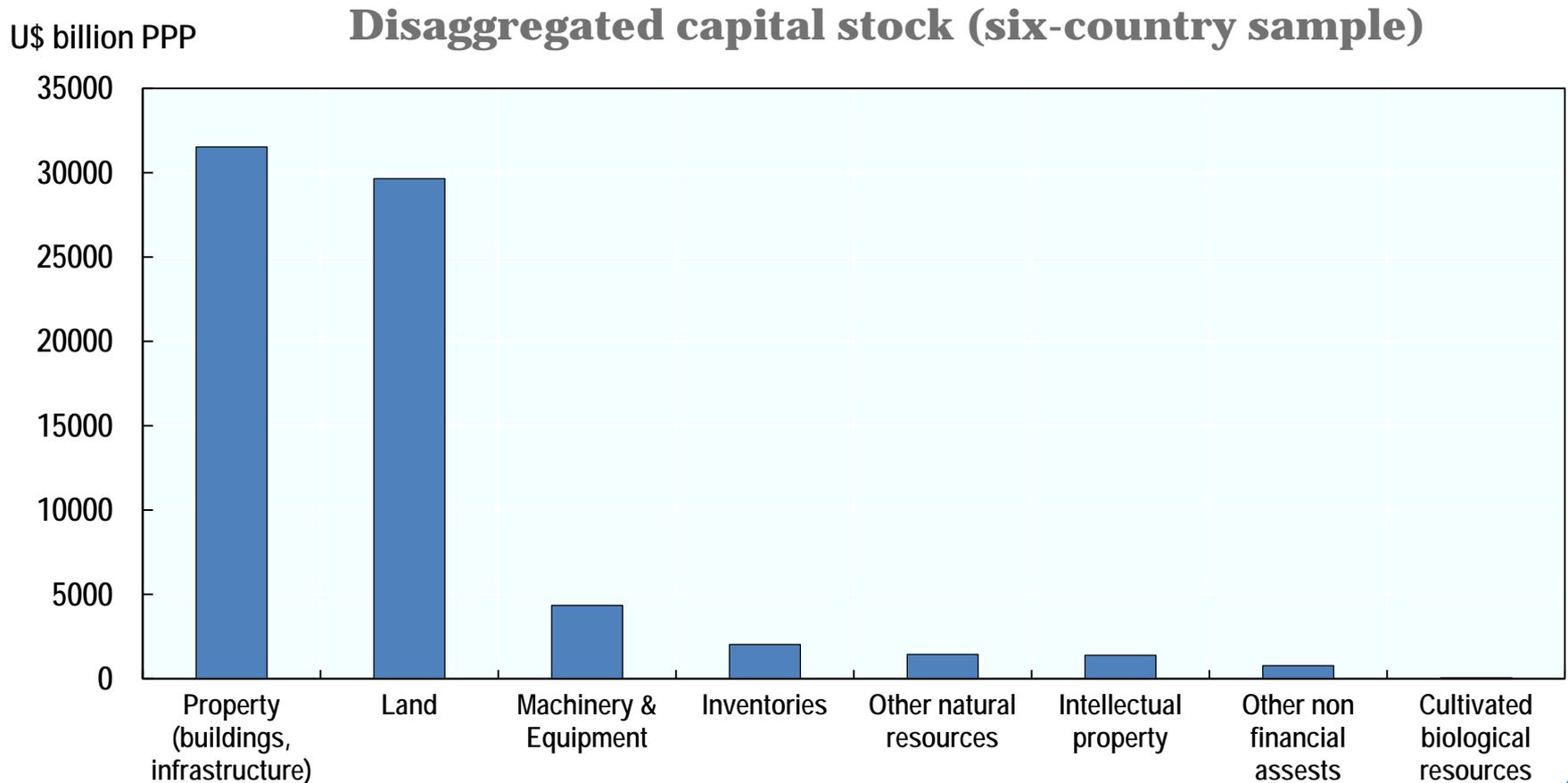


GOVERNANCE OF LAND USE

Abel Schumann
Regional Development Policy Division
OECD



Land and property are by far the most important forms of capital



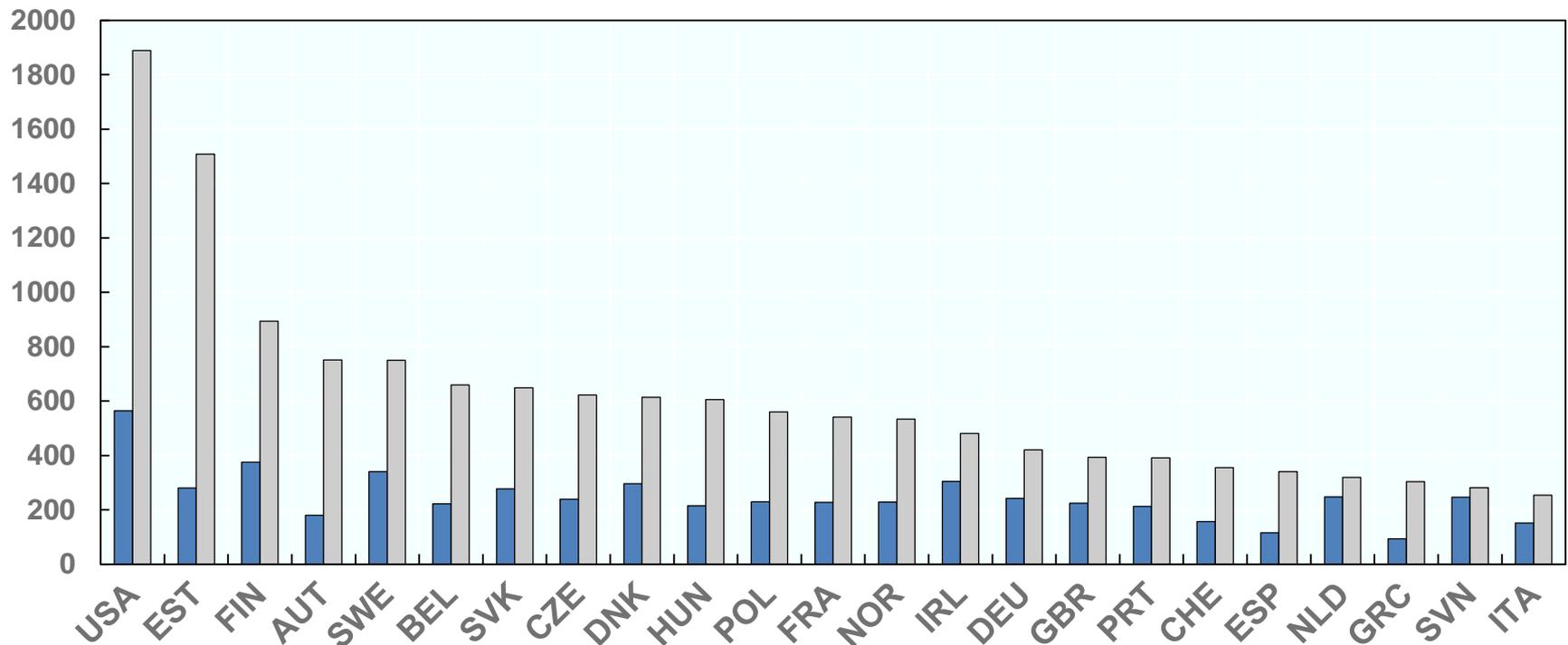
Note: Data includes Australia, Canada, Czech Republic, France, Japan and Korea.
Source: OECD National Accounts Table 9B



The amount of developed land per capita in urban areas differs across the OECD

Developed land per capita in urban areas

■ Developed land per capita in urban cores (in m²) □ Developed land per capita in commuting zones (in m²)

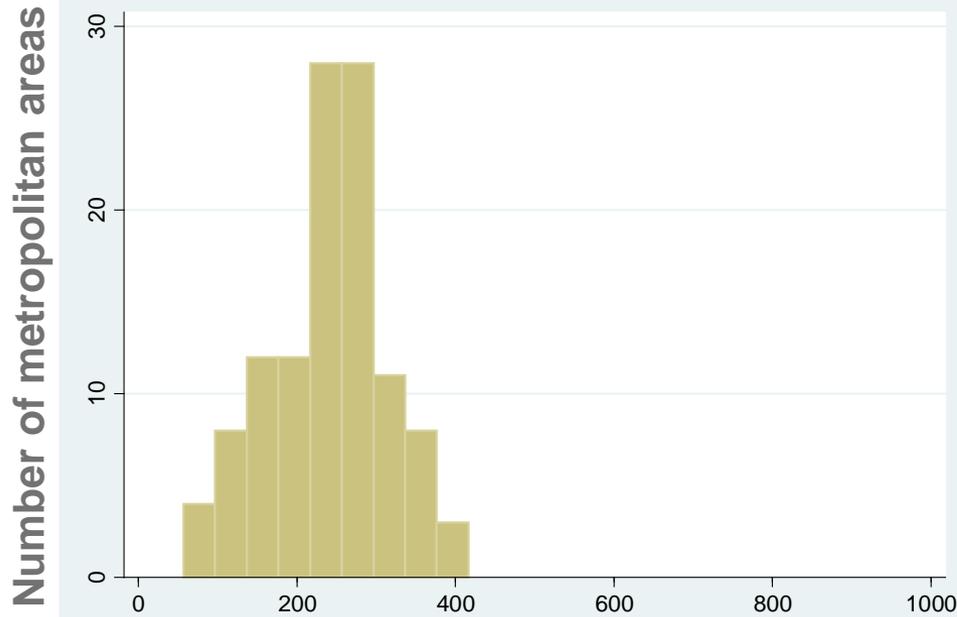


*All data is based on the OECD definition of Functional Urban Areas (FUAs)



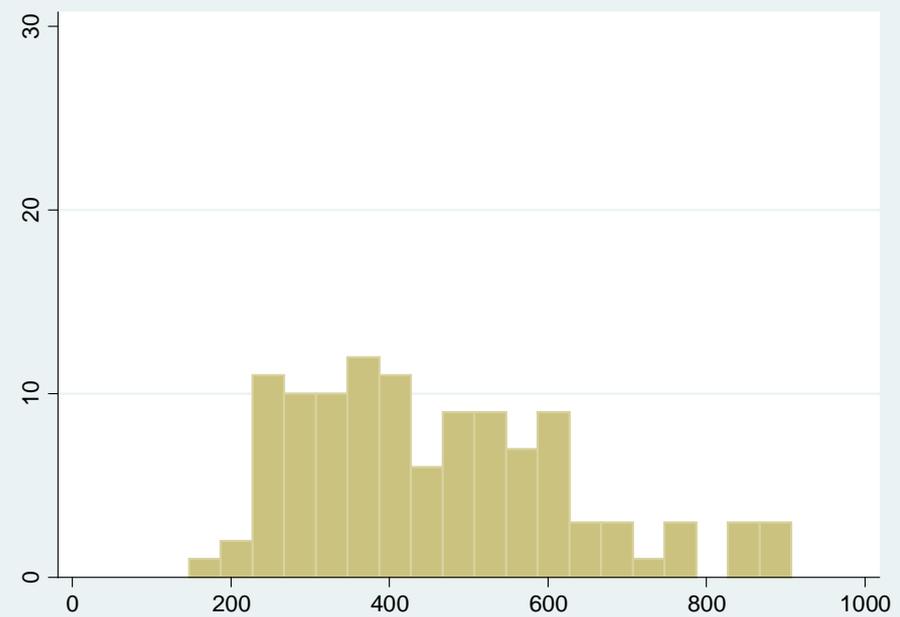
Land use in urban cores and commuting zones in Europe

Urban Cores



Developed land per capita in m²

Commuting zones



Developed land per capita in m²

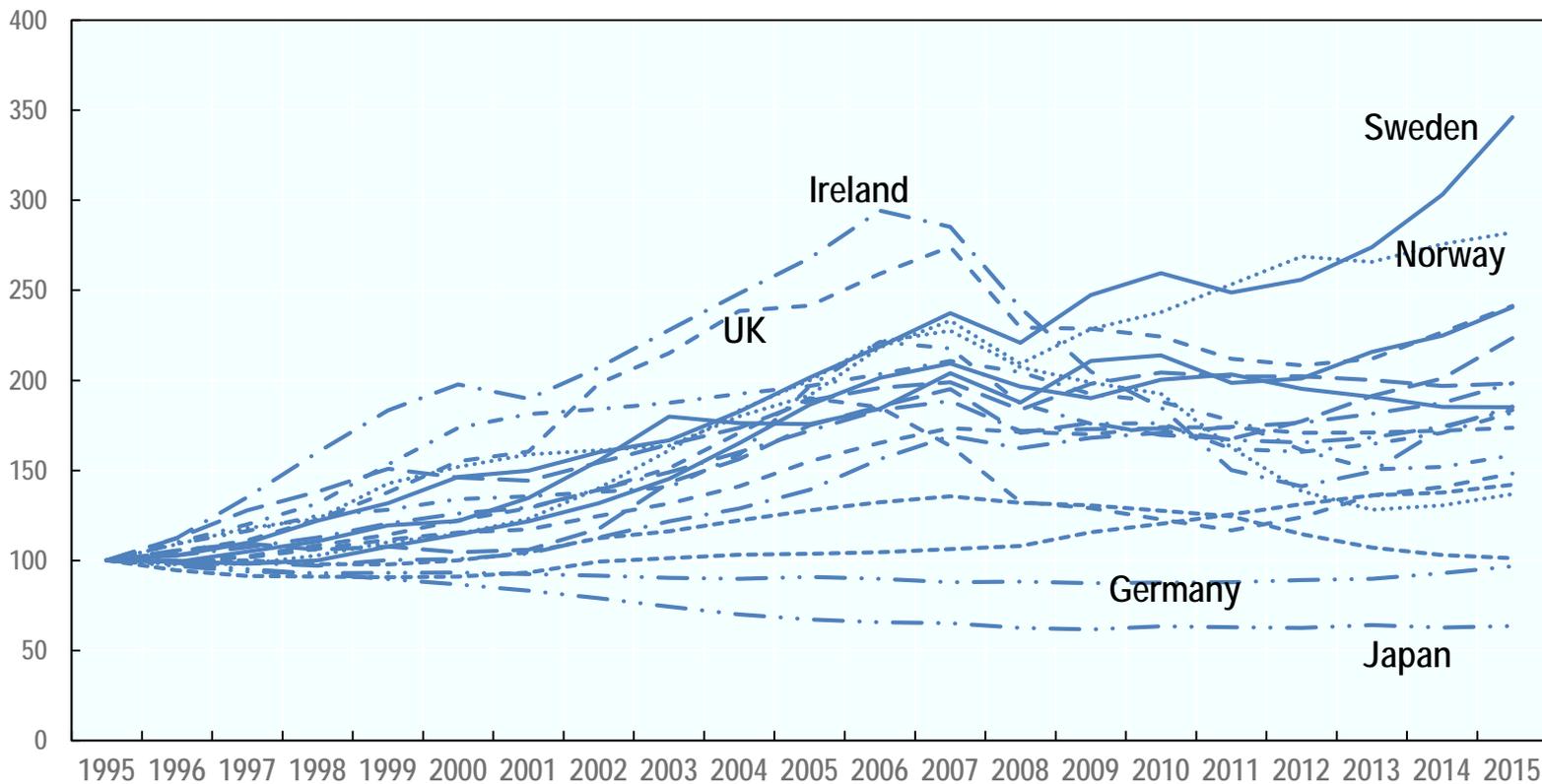
Source: OECD calculations based on Corine Land Cover data

Land use policies need to find a balance between **productivity**, **sustainability**, **liveability** and **affordability**



Housing costs have risen strongly in most OECD countries

Inflation-adjusted property prices (1995=100)

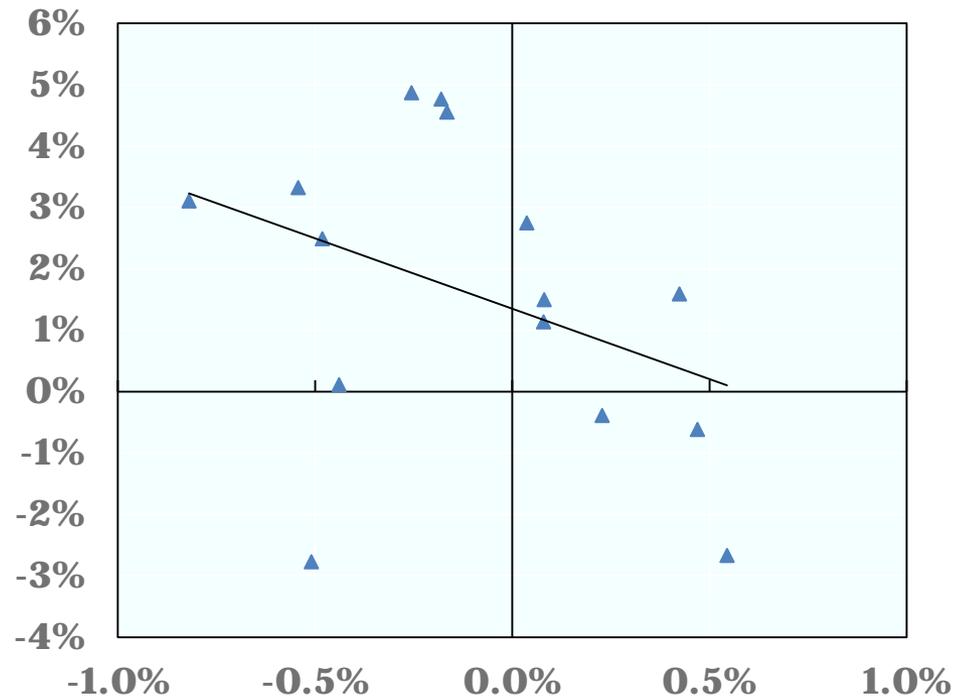




Restrictive land use policies can lead to rising housing costs

- Land use regulations should aim to prevent sprawl...
- ...but have to provide sufficient space to construct housing for growing populations
- Otherwise, housing costs rise

Annual change house prices (2000-2012)

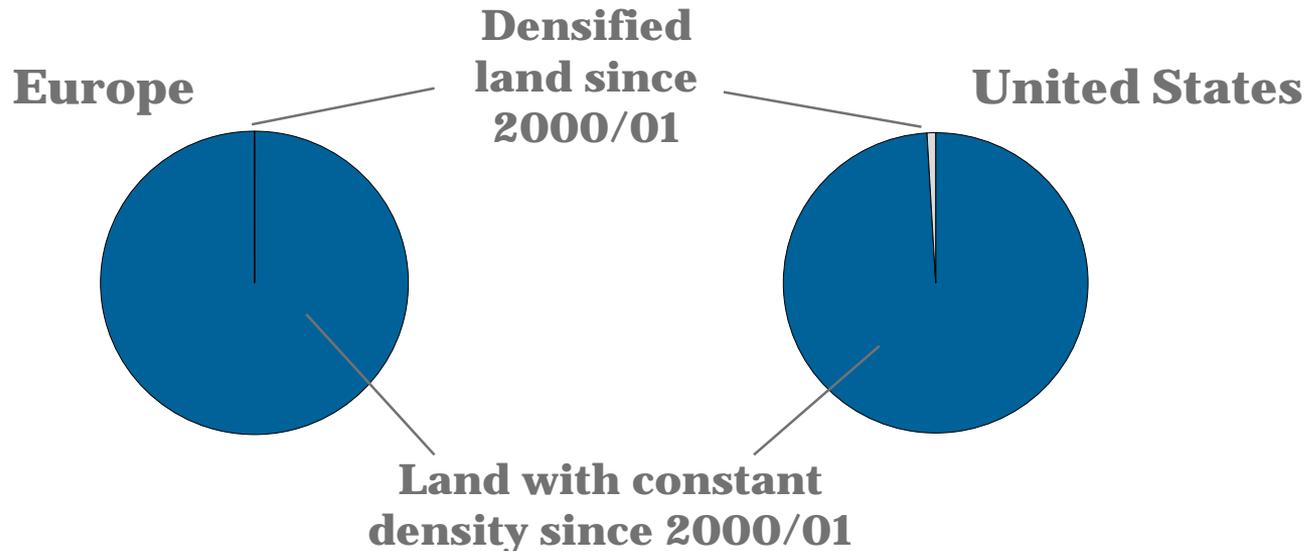


Annual change in developed land per capita (2000-2012)



Very little physical densification is taking place

- Very little densification of building stock since 2000
- Less than 0.01% of developed land in data has changed to a higher density class in Europe; less than 1% has changed in the U.S.
- **Caveat:** existing land use data not ideal to measure density; only two density classes for Europe; four density classes for the U.S.





High quality density is needed

- Many cities have densities similar to when they were much smaller
 - Low density neighbourhoods that were once at the urban fringe are now within urban cores without having densified
- Greater densities are needed to adapt urban form and build housing for greater populations
- Public spaces need to be of high quality in denser environments to ensure well-being (e.g. many residential developments of the 1960s are rich in public spaces of low quality).



How to make planning more flexible and foster good land use?

Public policies aimed at steering land use

- Spatial planning
- Transport planning
- Land use planning
- Environmental regulations
- Building code regulations

Public policies *not* targeted at land use

- Tax policies
- Transport taxes and subsidies
- Fiscal systems and inter-governmental transfers
- Agricultural policies
- Energy policies



How land is permitted to be used



How individuals and businesses want to use land



How land is used



Aligning fiscal and tax incentives to land use objectives

Fiscal and tax systems incentivise:

- i. local governments' planning policies
- ii. land use decisions by firms and individuals

➔ Incentives need to be better aligned with land use objectives



Examples: How fiscal and tax systems influence land use

In some countries, local governments obtain a large share of revenues from business taxes



Local governments have incentives to allocate as much land as possible to commercial uses to maximise tax revenues.

In some countries, ownership of single-family homes receives preferential tax treatment



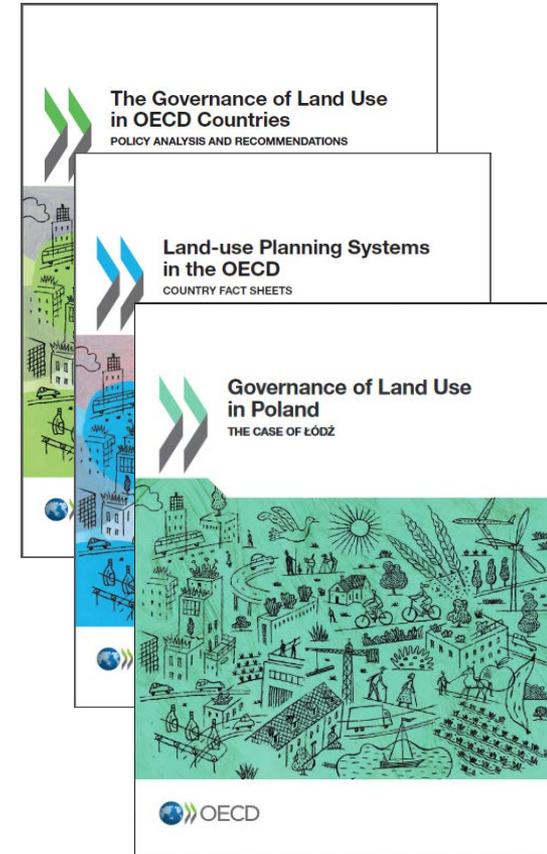
Residents have incentives to live in low-density neighbourhoods in sub-urban areas



OECD work on the governance of land use

For more information see:

- www.oecd.org/gov/governance-of-land-use.htm
- The Governance of Land Use: Policy Analysis and Recommendations, OECD (2017), release date: May 2, 2017
- Land-Use Planning Systems in the OECD: Country Fact Sheets, OECD (2017), release date: May 2, 2017
- OECD Land Use Case Studies:
 - Czech Republic – Prague
 - Netherlands – Amsterdam
 - Poland – Lodz
 - Israel – Netanya & Um el Fahm
- Further case studies to be conducted with interested national, regional and local governments.





THANK YOU

Contact: Abel.Schumann@oecd.org